GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:2841
ANSWERED ON:09.08.2000
SICK UNITS
SUSHIL KUMAR INDORA;ZORA SINGH MANN

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the number of small scale industrial units have increased in the country;

(b) if so, the number thereof during the years 1997-98, 1998-99 and 1999-2000;

(c) the number of units under small scale industries declared sick during each of the said years; and

(d) the capital which has become unproductive as non-performing assets owing to this sickness and the main reasons for the said sickness?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a)&(b): Yes, Sir. The estimated number of small scale industrial units in the country during the years 1997-98, 1998-99 and 1999-2000 were 30.14 lakhs, 31.21 lakhs and 32.25 lakhs, respectively.

(c): The number of sick SSI units as at the end of March, 1998 and 1999 were 2,21,536 and 3,06,221 respectively, according to the Reserve bank of India. The information for the period ending March, 2000 is not available.

(d): The information on capital which has become unproductive as non-performing assets owning to this sickness is not available. However, the amount outstanding in respect of these sick units as at the end of march, 1998 and 1999 were Rs. 3,856.64 crores and Rs. 4,313.48 crores respectively as per the estimates of the Reserve Bank of India.The main reasons for sickness are inadequacy of credit, technological obsolescence, marketing problems, infrastructural constraints, faulty planning, managerial deficiencies etc.